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General debate on children's services

Thursday 31 October 2019

About

Action for Children, Barnardo's, National Children's Bureau, NSPCC and The Children's Society are urging the central government to address the funding gap facing local authority children's services that is expected to reach £3.1bn by 2024/25. Our [joint report](#) analysed trends in funding and spending on children and young people's services, illustrating the scale of the challenges facing local authorities.

What action is needed

To overcome the funding crisis local authorities are facing in delivering children and young people's services, central government should:

- Central government should address the funding gap facing local authority children's services that is expected to reach £3.1bn by 2024/25 the upcoming Spending Review in 2020;
- Ensure there is a clear link between the likely level of need and the level of funding available in each local area; and
- Ensure that all local authorities have the resources, and are encouraged to develop a plan to provide for a comprehensive offer on early intervention.

Local authority children and young people's services provide a range of support, from parenting programmes in children's centres to the local safeguarding teams who step in and protect children from harm. But, despite the crucial role these services play in the lives of millions of children and families every year, they are in the midst of a financial crisis. Our analysis shows:

1. **There has been an increase in demand for local authority children's services** with a 26% increase in child protection inquiries and a 17% increase in the number of looked after children since 2010.
2. **There has been a sharp fall in funding for local authorities from central government**, which has seen a 29% reduction in available resources for children's services.
3. **As funding has fallen, early help services have disappeared**, leaving many children, young people and families only able to get the support they need when they reach crisis point.
4. **Children receiving help are displaying more complex problems** requiring intensive, ongoing support from children's services.

Funding for children and young people's services

Funding for children and young people's services has **fallen by £3bn**, from £10.3bn in 2010/11 to £7.3bn in 2017/18 – a 29% reduction. Meanwhile, local authority spending on children and young people's services **fell by £1.7bn** – a 16% reduction. In the same period, there has also been a one-third (32%) decrease in funding per child, **from £813 to £553**.

Rising demand for children and young people's services helps to explain the difference in the rate of reductions. In 2018, there were over 655,000 referrals to children's services, up from 646,000 a year earlier. As local authorities are legally required to provide services for children in need, child protection and children in care, regardless of the amount of funding available, increasing demand has required local authorities to continue spending on these vital services.

However, the combination of diminishing funding, rising demand and the legal requirement to provide services has resulted in a gap between what local authorities need to spend and the resources available to them. As a result, the children's services funding gap has been steadily rising, reaching **£1.4bn in 2017/18**. Estimates indicate this gap will grow to **£3.1bn by 2024/25**.

Spending on children and young people's services

Spending by local authorities can be broadly separated into early intervention services that aim to prevent and identify problems before they escalate by stepping in early, such as children's centres and youth services, and statutory late interventions services that respond to immediate problems where children, young people and families have reached crisis point, such as safeguarding and children in care. These services are more costly than preventative early interventions, and families are likely to have experienced difficult challenges that are detrimental to a child, young person or parent.

Between 2010/11 and 2017/18, the focus of spending on children and young people's services shifted away from early intervention and towards late intervention. Spending by local authorities on early interventions fell from £3.7bn to £1.9bn – a 49% reduction. Over the same period, spending on late interventions rose by 12% from £5.9bn to £6.7bn.

Early intervention services now represent just 22% of local authority spending on children and young people's services, down from 36% in 2010/11. This fall has been driven by reductions in numbers of children's centres and services for young people, with the former seeing spending drop by 62% and the latter experiencing

a 72% decrease since 2010/11. The vast majority of local authorities have increased spending in late intervention, with some more than doubling their respective budgets between 200/11 and 2017/18.

Rising demand is a key factor, with a 7% increase in referrals to children's social care in this period, alongside a 26% increase in the number of children subject to a child protection plan and a 17% increase in the number of children in care. The Association of Directors of Children's Services project further increases in the coming five years. Early intervention is a long-term investment. Programmes need time to embed, with the benefits often only becoming clear several years after a programme has finished working with a family. If the current trend of reductions to early intervention spending continues, there will not be the resources available to put these services on a sustainable footing.

Spending Round announcement

The 2020/21 Spending Round announcement included £1bn in additional funding for adult and children's services. Whilst this is welcome, there is no requirement that this funding has to be, or will be, spent on children and could be a missed opportunity to start turning the tide.

This funding is alongside a continuation of ring-fenced funding specifically for adult social care, including:

- consulting on allowing councils to raise a further £0.5bn;
- an addition £1.8bn in the Improved Better Care Fund grant;
- £3.8bn in minimum CCG contributions to local Better Care Fund plans.

It is vital that children are not penalised by the lack of ring-fencing in comparison to adult social care services. To avoid this, the Department for Education and the Ministry of Housing, Communities and Local Government need to work with local authorities to encourage investment in statutory services and effective early intervention services for children.